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August 15, 2016

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: *Ex Parte* Communication, *Connect America Fund, et al.*,  
WC Docket Nos. 10-90, 14-58; CC Docket No. 01-92

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Dear Ms. Dortch:

On Thursday, August 11, 2016, representatives of Shawnee Telephone Company and Moultrie Independent Telephone Company (together, “Shawnee Telephone”) met in separate meetings with: Stephanie Weiner, Senior Legal Advisor to Chairman Wheeler, and Alexander Minard and Katie King of the Wireline Competition Bureau; Claude Aiken, Legal Advisor to Commissioner Clyburn; Travis Litman, Senior Legal Advisor to Commissioner Rosenworcel; Nicholas Degani, Legal Advisor to Commissioner Pai; and Amy Bender, Legal Advisor to Commissioner O’Rielly. Participating in the meetings on behalf of Shawnee Telephone were: Michael Guffy, Vice President, Regulatory Policy and Business Development, and Matt Johnson, Vice President, Government Policy, together with David Blessing, Parrish, Blessing & Associates, and the undersigned.

During the meetings, we urged the Commission to grant Shawnee Telephone’s July 27, 2016 Petition for Waiver of the Commission’s decisions in the *CAF Rate-of-Return Order*<sup>1</sup> (1) to exclude census blocks served by fiber-to-the-premises (FTTP”) technology from the support calculations (the “FTTP Rule”) under the Alternative Connect America Cost Model (“A-CAM”); and (2) not to make an offer of model-based support to any rate-of-return carrier that has deployed 10/1 broadband to 90 percent or more of its eligible locations in the relevant state, based on the June 2015 FCC Form 477 data (the “90 Percent Rule”).

We explained that Shawnee Telephone faces special circumstances because it is among the carriers most greatly affected by these rules, having taken the initiative over the last decade to build out 10/1 broadband to a large portion of its rural customers, including a substantial deployment of FTTP technology, while taking on financial risk associated with its partnership alliance with the Rural Utilities Service (“RUS”) telecom loan program. Thus, while Shawnee Telephone prefers the predictability and administrative simplicity of the A-CAM mechanism to the CAF-BLS alternative, the Bureau’s offer of roughly \$1.4 million in annual A-CAM support, down more than \$6 million from what the model-based support would be if the waivers are

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<sup>1</sup> *Connect America Fund*, WC Docket No. 10-90, Report and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 16-33 (rel. Mar. 30, 2016).

granted and approximately \$8 million below current support, is unsustainably low in light of the company's high-cost rural service area, and its existing financial commitments.

Shawnee Telephone also believes that it would be in the public interest for the Commission to grant these waivers. Even with the requested waivers, Shawnee Telephone has calculated that the A-CAM would produce annual high cost support significantly below its current legacy level. The waivers would therefore reduce pressure on the Commission's budgeted increase of \$150 million in support for those carriers accepting the offers of model-based support. Regardless of whether the \$150 million budget is ultimately exhausted, these waivers would enable the Commission to conserve the high cost universal service mechanism's limited resources and redirect support to "areas of greater need."<sup>2</sup>

Thank you for your consideration of this matter. Please direct any questions concerning this matter to me.

Very truly yours,

Richard R. Cameron

cc: Stephanie Weiner  
Claude Aiken  
Travis Litman  
Nicholas Degani  
Amy Bender  
Alexander Minard  
Katie King

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<sup>2</sup> *Id.* at ¶ 70. Based on current estimates, Shawnee Telephone believes that the reduction would place it in Tier 2 of the Commission's tiered transition framework. *Id.* at ¶ 74.